

## **Community Development Commission**

January 14, 2010

To: Each Supervisor

From: Sean Rogan, Executive Director



**SUBJECT: LOS ANGELES COUNTY HOUSING INNOVATION (REVOLVING LOAN) FUND**

This memorandum is to advise you that the Los Angeles County Housing Innovation Fund (LACHIF) has resumed operations. The LACHIF is a revolving loan fund that provides acquisition and predevelopment financing to developers of affordable housing. The revolving loan fund was approved by the Board of Commissioners as part of the Homeless Prevention Initiative.

The revolving loan fund is administered by the Los Angeles County Housing Innovation Fund, LLC, a California Limited Liability Company comprised of the Low Income Investment Fund (LIIF), Century Housing Corporation, and the Corporation for Supportive Housing. The Community Development Commission of the County of Los Angeles (Commission) represents the County's interests within the LLC and retains a deciding vote on loan approval.

In November 2008, due to the near collapse of the capital markets, the United Methodist Church pension fund terminated its participation. In order to attract new investors, the fund had to be restructured. The newly restructured fund has received investments of \$10 million from LIIF and \$1.9 million from One California Bank. Additionally, Citigroup intends to provide \$20 million to the fund on April 1, 2010. Wells Fargo and Impact Capital are going through internal credit approvals to provide \$10 million and \$30 million, respectively. Negotiations continue with Far East Bank, Bank of the West and Chase to join the fund. It is anticipated that by mid 2010 the total fund amount will be approximately \$100 million.

The LACHIF approved the first loan on January 7, 2010. The first loan approved was for the Hudson Oaks project sponsored by Abode Communities. The project is located at 1267 N. Hudson Avenue in the City of Pasadena. It will provide 46 units of affordable senior housing. The City of Pasadena has committed \$4.4 million and Section 8 Project Based Vouchers. Abode Communities has also applied for \$1.469 million in City of Industry funds. The LACHIF provided \$3.7 million for acquisition financing.

The LACHIF currently has five additional projects in the pipeline that are to be funded shortly, totaling \$11,034,000 that will assist the development of 192 senior units and 141 family units. The five projects are:

- 1) Terrabella Apartments in the City of Bell Gardens being developed by Abode Communities. This project will provide 65 units of affordable senior housing. Abode is requesting \$2,700,000 from LACHIF.
- 2) Park Place in the City of Lynwood being developed by AMCAL. This project will provide 99 family units. AMCAL is requesting \$1,795,000 from LACHIF.
- 3) DMH Youth in the City of La Verne being developed by David & Margaret Homes and Chelsea Investment. This project will provide 42 units for Transitional Age Youth. The developer is requesting \$1,500, 000 from LACHIF.
- 4) Andalucia Senior Apartments in the City of Los Angeles is being developed by Meta Housing. This project will provide 88 units of affordable senior housing. The developer is requesting \$3,323,000 from LACHIF.
- 5) Long Beach Senior Artists Colony in the City of Long Beach is being developed by Meta Housing. This project will provide 39 units of affordable senior housing. The developer is requesting \$1,716,000 from LACHIF.

The difficult economic environment created a delay in initiation of this fund. However, Commission staff continued to work with our partners in the financial and housing development communities to secure a better structure with deeper commitments to ensure our goal of developing needed affordable housing in Los Angeles County.

Should you have any questions, I can be reached at (323) 890-7400 or you may contact Lois Starr, Director Housing Development and Preservation Division, at (323) 890-7230 or via email [lois.starr@lacdc.org](mailto:lois.starr@lacdc.org).

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